

(A) THERE IS A HOME IMPROVEMENT GUARANTY FUND TO COMPENSATE OWNERS FOR ACTUAL LOSSES INCURRED BY THEM AS A RESULT OF CONDUCT BY LICENSED CONTRACTORS THAT IS FOUND BY THE COMMISSION OR A COURT OF COMPETENT JURISDICTION TO BE:

(1) WORK PERFORMED UNDER A HOME IMPROVEMENT CONTRACT IN A POOR OR UNWORKMANLIKE MANNER OR WHICH IS OTHERWISE INADEQUATE OR INCOMPLETE; OR

(2) A VIOLATION OF § 261 OF THIS SUBTITLE.

(B) A CLAIMANT SHALL EXHAUST ANY REMEDIES AVAILABLE UNDER THE BOND PROVIDED FOR IN SECTION 257(C) OF THIS SUBTITLE BEFORE RECOVERING ON A CLAIM AGAINST THE FUND.

~~(B)~~ (C) FOR PURPOSES OF RECOVERY AGAINST THE FUND, THE CONDUCT OF A LICENSED CONTRACTOR SHALL BE DEEMED TO INCLUDE THAT OF ITS EMPLOYEES, SALESMEN, OR SUBCONTRACTORS WHETHER OR NOT AN EXPRESS AGENCY RELATIONSHIP EXISTS.

~~(C)~~ (D) THE PROVISIONS OF ANY WRITTEN AGREEMENT TO SUBMIT ANY DISPUTE TO ARBITRATION MUST BE COMPLIED WITH PRIOR TO ANY RECOVERY FROM THE FUND.

257B.

(A) THE COMMISSION SHALL:

(1) ADMINISTER THE FUND IN ACCORDANCE WITH THIS SUBTITLE;

(2) MAINTAIN THE FUND AT A LEVEL OF AT LEAST \$250,000; AND

(3) DEPOSIT ALL MONEYS COLLECTED TO THE CREDIT OF THE FUND WITH THE STATE TREASURER FOR PLACEMENT IN A SPECIAL ACCOUNT.

(B) THE STATE TREASURER SHALL INVEST OR REINVEST MONEYS IN THE FUND IN THE SAME MANNER AS MONEYS IN THE STATE EMPLOYEES RETIREMENT AND PENSION SYSTEM. INTEREST ACCRUING FROM INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND.

257C.

(A) EVERY CONTRACTOR WHO APPLIES FOR A LICENSE AFTER JUNE 1, 1985, OR WHO RENEWS A LICENSE AFTER THAT DATE SHALL PAY A FEE OF \$50 INTO THE FUND. A CONTRACTOR IS NOT REQUIRED TO PAY THIS FEE MORE THAN ONCE UNLESS THE COMMISSION MAKES AN ASSESSMENT UNDER SUBSECTION (B) OF THIS SECTION.

(B) IF THE COMMISSION DETERMINES THAT, IN LIGHT OF PENDING CLAIMS, THE AMOUNT OF THE FUND IS INSUFFICIENT TO MAINTAIN THE FUND AT A LEVEL OF AT LEAST \$250,000, THE COMMISSION SHALL ASSESS EACH LICENSED CONTRACTOR AN APPROPRIATE FEE. HOWEVER, THE COMMISSION MAY NOT ASSESS ANY LICENSED CONTRACTOR MORE THAN \$50 IN ANY CALENDAR YEAR.